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## ***The Mongolia Monitor***

**News from USAID Mongolia**

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**June 2008**

### **Mission News:**

In response to severe weather (extreme cold and wind) during May 26-27 in which 55 persons and a quarter of a million livestock died from exposure, the USAID Mission facilitated the U.S. Ambassador's Emergency Fund contribution of \$50,000, in two equal increments, to the Mongolian Red Cross in early June. The funds were used to provide humanitarian relief to affected populations in Sukbaatar, Khentii, and Dornod aimags.

As a result of analysis and advocacy by the Mission's Economic Policy Reform & Competitiveness Project (EPRC), the Energy Regulatory Agency of Mongolia announced increases of 39% and 30% for heating and electrical tariffs respectively to take effect in July. Hopefully, this is the first of several phased steps to increase tariffs to levels needed to cover the full costs of service. These steps are strongly supported by the GoM-Donors Energy Sector working group which is co-chaired by USAID Mongolia.

The USAID Manila's Regional Inspector General (RIG) Office concluded a performance audit of the EPRC Project. In summary, the preliminary findings indicate that the EPRC Project: a) fully achieved or made significant progress towards its planned results, and b) successfully accelerated and deepened the policy reform process and increased the country's domestic and international competitiveness. However, the audit did identify areas where the Mission could help improve EPRC's performance monitoring plan and strengthen data quality of its performance indicators and reported results to USAID. The audit made two recommendations to address these issues.

### **Program News:**

## **PROGRAM OBJECTIVE: PRIVATE SECTOR-LED ECONOMIC GROWTH**

## **Economic Policy Reform and Competitiveness Project (EPRC)**

### ***Chemonics***

[www.eprc-chemonics.biz](http://www.eprc-chemonics.biz)

#### **Economic Policy Support**

*Impact of tax reform:* EPRC now has some 380,000-transaction records from 2007 Customs data to analyze VAT collected at the border and has completed the splitting of the large data set to process and clean the raw data.

#### **Trade Policy Support**

*Customs and inspections area site layout in Zamiin Uud:* Based on the pre-feasibility study on trans-shipment and clearance in Zamiin Uud completed in April, project engaged STTA, Mr. Kamal Patel, to assist GoM Customs with the layout for the customs and inspections clearance area. Project has coordinated this work closely with Customs in Ulaanbaatar and Zamiin Uud. The agreed upon layout is now in the preliminary engineering phase.

*National Program to Establish Single Electronic Window (SEW):* EPRC initiated meetings with members of the SEW Working Group (WG) and is preparing draft documents for the establishment of a “shelf company” to implement the SEW. There is now general consensus among working group members that no further decisions will be made until after elections.

*Technical support for the “Transit Traffic Agreement between the Governments of the People’s Republic of China, Mongolia, and the Russian Federation” (TTA):* The project assisted the National Committee on Transport and Trade Facilitation (NCTTF) and the Ministry of Foreign Affairs (MoFA) with the organization and conduct of a one-day workshop to finalize agreements on revisions to the TTA and drafting of the technical annexes. The participants, including representatives of relevant GoM Ministries and Agencies, finalized the drafts, and sent them officially to the Russian Federation, the People’s Republic of China (PRC) and UNCTAD on Wednesday, 18 June.

#### **Financial Markets Support**

*IPO Regulations:* On 16 June, project STTA Cliff Kennedy commenced a consultancy to review the IPO regulations, approval policies and procedures, and make recommendation for improvements and capacity building of the GoM’s Financial Regulatory Committee (FRC) to ensure effective implementation.

*Credit Information Bureau (CIB):* Fifteen commercial banks and two non-bank financial institutions have signed an agreement to establish a commercial credit information bureau. The signing ceremony at the offices of The Mongolian Bankers Association (MBA) on 9 June, 2008 was the culmination of the joint efforts of the 17 founding shareholders, the MBA and EPRC which began on 2 November 2005 when the BoM and the project organized an open discussion on the *Future of the Credit Information Bureau*. Once the company is duly registered under Mongolian law, it will engage the IFC to assist with a tender to source an internationally recognized CIB operator to establish and

operate a Mongolian CIB to be owned up to 49% by the operator and 51% by Mongolian private sector stakeholders. EPRC continues to advise the Founders working group.

### **Public Private Partnerships Support**

*Private sector-led Mongolian Tourism Organization:* EPRC Tourism Business Development Advisor Indraa Bold is assisting Mongolian National Tourism Organization (MNTTO) in the area of operations and industry positioning. On 14 June, STTA Joan Perrin started a consultancy to update the MNTTO strategic plan and enhance it with a business plan focused on financial sustainability.

*Potential PPP structure for Road-to-Rail Trans-shipment and Logistics Facilities in Zamiin Uud:* Following the pre-feasibility analysis of border clearance and inspection and trans-shipment facilities conducted in Zamiin Uud in April, the project initiated work in both projects. While engineering designs for the improvement of the border clearance and inspections are underway, the project began work with assistance from an international logistics expert, Robert Cochrane, on the logistics supply chains connecting China to Mongolia and beyond.

The initial assessment confirmed that the best location for the Zamiin Uud Gateway Logistics Park is the site of the current temporary road-to-rail trans-shipment station about 7 km north of the Zamiin Uud township and to the west of the railway line. The components for the first stage are the road-to-rail facility and a covered road-to-road freight station to support road-to-road break-bulk, re-consolidation and vehicle interchange operations. There may also be demand for common user warehousing served by road vehicles. There is unlikely to be any demand in the short term for local distribution or value added facilities due to the level of development in Erlian, higher Mongolian wage levels and the lack of population within 100km of Zamiin Uud.

International best practice indicates that a Public Private Partnership (PPP) may be the best recommended long-term form of ownership. In such a structure, the GoM would be a minority shareholder that would include the railway, leading private sector logistics and transport operators and a strategic international partner. The shareholdings should ensure majority private sector ownership and majority Mongolian ownership. In order to carry out the urgently required initial works, it is recommended that the site be initially vested in a wholly GoM-owned limited company that can then expand ownership to include Mongolian private sector interests and seek an appropriate strategic international partner.

### **Energy Sector Support**

*Energy sector financial status:* The detailed Proposed Tariff Reform Plan/Program is now complete and has the agreement of the Energy Regulatory Authority (ERA). The project made a presentation of the Plan to counterparts and the Energy Working Group (EWG) on 20 June. The EWG now has the Plan for review and comment.

*Energy Working Group and GoM/external partners meetings:* The EWG held its third meeting of 2008 on 20 June. The next EWG meeting is scheduled on or about 21 August, depending on the new government.

*MoFE re-organization and priorities:* The Ministry of Fuels and Energy (MoFE) plans to complete the document and submit it to the newly elected Parliament for the fall 2008 session. The 11 MW Dorgon hydro-power plant was placed in operation on 23 June. It will supply 90% of the Western Energy System needs. The remaining 10% will continue to be imported from Russia.

*Public Information/Public Education (PI/PE) campaign:* The TV slot concerning the heat sector is finished and will be aired on UBS on 28 June, Saturday, at 7.45 pm with three commercials on June 25, 26 and 28 announcing the airing of the program and on C1 on 28 June, Saturday, at 9.20 pm., with four commercials announcing the program from 25 June through 28 June.

*Performance Agreements:* Negotiations between the ERA and CHP #4 have been curtailed as there is not enough time left in 2008 for performance to be measured accurately.

*Development of the CHP #5 tender process and documents:* The Ministry of Finance (MoF) has recommended a two-part tender process: technical and cost. The MoFE will discuss the recommendation with the MoF but so far intends to continue with their one-part process.

*New Electricity Market Development Program:* The project recommended technical assistance on this task in June 2008 as agreed with the ERA. Current efforts include a revision of market rules, development of a user's manual, preparation of vesting contracts and one-on-one meetings with the five major market participants for explanatory and training purposes.

### **Consensus Building, Public Education, and National Dialogue Support**

*Cabinet Secretariat officially approves the new Open Government television program series:* The first program of this series will be aired in late June as detailed in the Energy PI/PE campaign component. Subsequent programs in the series are being designed.

*Project to automate Cabinet Secretariat document management:* EPRC project continued discussions with the Cabinet Secretariat IT Department to finalize the design and major activities of the project. Pending final approval, implementation of the project may begin in the fall, after the new government takes office.

### **Project management**

*Regional Inspector General (RIG) performance audit of USAID/EPRC:* The RIG audit team completed the three-week field portion of a performance audit of USAID/EPRC on 19 June. Informal debriefings that the RIG audit team provided at the end of the field portion of the audit awarded a 100 percent rating for completion of performance indicators under project management control.

### **Gobi Regional Economic Growth Initiative (GI)**

## ***Mercy Corps***

[www.mercycorps.org.mn](http://www.mercycorps.org.mn)

### **Sales**

GI uses sales generated from new business activities outlined in the formal business plans developed by its clients as an indicator of success. Total sales for herder and non-herder businesses for June 2008 reached \$224,340, bringing total sales so far for herder businesses in CY2008 to \$551,096 and for non-herder businesses to \$764,046. Total sales for CY2008 are now \$1,315,142; which is on track for the full year target of \$3.9 million. Compared with the same period in CY2007, total sales have increased 13% (up from \$1,166,202) and average sales per business is up 10% (to \$4,034 from \$3,667 last year). Total sales generated by business clients under the Gobi Initiative Phase II from January 2004 to date is \$10.1 million which compares favorably with USAID funding for the Gobi Initiative cooperative agreement to date, less subgrant agreements, of \$5.6 million.

### **Loans**

In June, herder and non-herder clients took out nine loans from commercial banks worth a total value of \$28,466 for which Mercy Corps provided \$8,770 (30.8%) in additional cash collateral. A total of 166 loans were accessed by GI clients in the first six months of the year. In total these loans were worth \$474,483, at an average loan size of \$2,858. Mercy Corps has thus far provided a total of \$182,274 as additional cash collateral through CY2008. This represents a 38% collateral guarantee against the average loan; significantly down from the 84% average at the start of the program in June 2004. Since the program began, 717 loans have been dispersed worth a total value of \$1.9 million. The repayment rate to date stands at 96%.

### **Herder Alliance**

The Memorandum of Understanding (MOU) signed by Mercy Corps and the Bayanhongor Alliance Cooperative (Herder Alliance) is scheduled to expire this month. In anticipation of this, Mercy Corps met with Herder Alliance members and participated in the 7th Steering Committee meeting. During the meeting participants discussed Herder Alliance activities, lessons learned and successes achieved through the last year and developed a workplan for the next quarter. A major benefit of the Herder Alliance for its

members has been the increased volume of products that it has enabled them to sell through bulk contracts with large buyers such as the Goyo Company and Erdenet Cashmere, both of whom would otherwise be unable to deal with a large number of individual producers.

The Herder Alliance is also working toward financial self-sustainability and the success of the past few months give positive encouragement that this goal is feasible. During the meeting, the Steering Committee observed that a more transparent system for division of costs and income between the Herder Alliance and its members has to be put in place. Primarily to support the institutionalisation of this system, Mercy Corps has agreed to extend the MOU.

**Yak wool trade fair**

Mercy Corps and the Mongol Yak Society together organized two Yak Wool Trade Fairs in June: one in Bayanhongor Aimag on 14-15 June and another in Uvurhangai Aimag on 17-18 June. These fairs were excellent opportunities for local producers to establish links with domestic processors. A total of 63 local producers attended the fairs and sold 13 MT of yak wool, generating \$28,970 in sales: good results when compared against their combined planned sales of 10 MT at a value of \$17,000. Not only was a higher volume traded, but average prices were also 30% higher than expected at \$2.23 per kg, and up to \$3.50 per kg for premium grade wool. The seven largest domestic wool-processing companies (Goyo, Erdenet Cashmere, Natural Alfa, Sor Cashmere, Yak Co, Mongol Nehmel and Sanjaaz) attended the fairs.

**Rural Business News magazine**

Rural Business News (RBN) Magazine edition #60 was published in June. A total of 4,000 copies of the publication were printed. The issue - which contained 14 seasonal stories, messages to herders, businesses and local residents - was distributed and sold in rural Mongolia through post offices, local Market Watchers and local branches of Xacbank. The latest issue carried interviews with a well-known wrestler and a horse racer in recognition of the upcoming Naadam festival.

An MOU between Media for Business (MFB) and Mongolian National Public Radio was signed in June. Under the MOU, MFB is entitled to broadcast weekly 30-minute RBN radio programs using free air time. To our knowledge, this is the first agreement of its kind, allowing an NGO long-term use of free airtime, in Mongolia.

**Market Watch**

Media for Business (MFB) and Pact Mongolia delivered a presentation on the Market Watch system to the Ministry of Food and Agriculture and the European Union funded "Animal Health and Livestock Marketing Project". The presentation is part of a move toward bringing MFB closer to the Ministry and establishing other donor funding for it to continue operations into the near-term future. Discussions in both directions continue.

**Gobi Forage**

The Gobi Forage project continued verification and validation of existing sites for the Livestock Early Warning system (LEWS). During June the Gobi Forage team traveled to Selenge and Dornod; new aimags for LEWS. Existing sites were also verified in Gobi-Altai, Uvurhangai and Bayanhongor aimags. Thirty-one existing sites were re-visited and 29 new sites in Selenge and 20 in Dornod were established. Map information continued to be broadcast by radio, post and over the Internet as in previous months.

**Future events**

Mercy Corps is organizing a semi-annual planning meeting on July 6-8 in Tsenher Soum in the Arhangai Aimag. Sixty staff from the aimags and Ulaanbaatar will attend the event to review the major results achieved through the first half of 2008 and to discuss key program activities scheduled for the second half of this year.

## **Growing Entrepreneurs Rapidly (GER) Initiative**

**CHF International**

[www.chfmongolia.org](http://www.chfmongolia.org)

In June, GER Initiative helped to improve or expand 80 businesses, created 15 start-up businesses, and generated a total of 93 new jobs. Also this month, the GER Initiative matched 115 ger area residents to jobs.

### **Financial services**

GER facilitated 36 loans valued at over \$40,941 with local partner banks.

### **Training and Consultant services**

GER conducted 79 trainings with 48 clients participating, and 123 consultations were provided to 108 clients. In this month, two package services were provided for nine clients in Ulaanbaatar: the New Loan Client Package and the Market Linkage Package.

In Zuunmod, agriculture training was provided for four potential clients who were interested in growing vegetables for household and business purposes. The trainees were taught how to prepare the soil and seeds for planting, how to plant different types of vegetables, how to fertilize and irrigate plants, and conduct insect control. In the fall, the clients will supply the local school kitchen with home grown vegetables.

In Darkhan, GER organized a “Pattern Making” vocational training for seamstress business clients. The attendees run their own sewing businesses however they lack skills in making their own patterns. The three-day training program included methods and technology for pattern design, cutting and changing patterns into different sizes.

### **Information Services**

GER provided 592 information services to 286 clients, and two information meetings were held with 40 clients participating. One of the information meetings was titled “Optimal solution of house and workspace” and provided 26 clients with information related to building a house or workplace, construction material choice and price, and calculating a budget for heating, insulation, sanitation and sewage.

In the meeting the National Emergency Management Agency (NEMA), GTZ Urban Development, Construction Sector and Vocational Education and Training Supporting Program, “Atmor” LLC, “Tasumo” LLC, and “Ikh Uudam” LLC participated and introduced their activities, products and services. NEMA also provided information about preventing electrical fires which are common hazard in the ger areas.

In Erdenet, GER clients Baasantsoo and Daramsuren along with the GER’s Agriculture Consultant Khishigdavaa participated in a local TV show called “The taste of life.” The show was about living in ger areas and included discussions on growing vegetables in khashaas, how to organize khashaa space, what kinds of vegetables can be grown, and how to solve irrigation problems.

### **Employment Services**

GER matched 115 clients to jobs and 23 clients entered vocational training programs. A total of 19 employment trainings were held for 19 clients. A total of 93 jobs were generated through newly formed or expanded businesses.

In Ulgii, 16 clients graduated from a cell phone repair vocational training course provided by the Solongo training center and 30 clients graduated from agriculture vocational training provided by Shine Garts training center in Baganuur.

This month a new employment relationship was established with Nisora Construction LLC. Nisora is providing a four-week construction vocational training for 23 unemployed GER clients. After the training, all trainees will be tested and successful graduates will obtain a Certificate of Achievement and will be employed by Nisora.

### **Linkages and Trade Fairs**

GER facilitated linkages between businesses worth approx. \$22,917 this month. New linkage relationships were established with Sapphire Geo LLC – a geological company, QGX Mongolia – a mining exploration firm, JPCM LLC – an equipment firm, SC Caravan Global Trading SRL – a Romanian exporter, and Juist Juist – a Dutch exporter.

### **Business Groups Development**

GER worked with 99 active groups this month. Two new groups were formed, and no groups disbanded this month. GER and IMPPACTS are assisting two sewing business groups “Uran Devshikh” and “Oyu Az” to register as cooperatives. Both have drafted their cooperative by-laws and submitted the necessary documents to the local Tax Office.

### **Planned Activities for July**

- Labor Law training in Baganuur
- Local Business Owners’ meeting in Tolgoit
- Naadam trade fair in Darkhan
- “Business Time,” a short TV program in cooperation with the “Minii Mongol” Cable TV in Selenge
- “How to find equipment” training in Selenge
- Information Day in Dornod and in Erdenet
- Financial Statement Preparation training in Erdenet
- Labor Day in Bayangol and in Dornod
- Business Linkage Day in Dornod
- Clients’ meeting with hairdressers and beauticians in Dornod

## **PROGRAM OBJECTIVE: MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE**

**The Judicial Reform Project (JRP)**  
*National Center for State Courts (NCSC)*



On 23 June 2008, Chief of Party (COP) John A. Carver, Esq., arrived and was briefed by Interim COP Kala Finn.

### **Courts**

JRP continues to oversee the software upgrade for the “Judge 2005”. These upgrades will harmonize the existing system with newly adopted regulations on statistics and reporting. The upgrades will permit the courts to move from case tracking software to a more functional management information system. The work is being carried out under contract, with the JRP Information Technology staff checking the source code and reviewing functionality.

JRP is reviewing the first draft of the strategic plan for the Judiciary. This draft has been circulated to all judges and court employees for discussion and comment, with comments due by 1 July 2008.

### **General Prosecutor’s Office (GPO)**

On 27 June 2008, JRP delivered five computers and the remaining components of the forensics evidence collection kits to the Special Investigative Unit (SIU) of the General Prosecutor’s Office. Earlier in the month, the vendor “NEWTELCOM” completed the installation of a local camera network and recording system in five interviewing rooms at the SIU. During the signing of the Memorandum of Understanding (MOU) regarding the use of USAID-funded equipment, the Director of the Unit expressed appreciation for the support received dating back to 2002 when the SIU was established. He credited USAID and JRP with providing not just equipment, but a great deal of technical assistance. He also described how in the early years, there was very little public understanding or support for a unit charged with investigating official wrong-doing, but that with considerable help of a JRP instigated public education campaign, SIU is now well established as a crucial element upholding the rule of law.

The JRP Information and Technology (IT) team continues to work with the Prosecutor’s Office’s IT specialist and software developer to support the upgrade of the Prosecutor’s case tracking system. Various options – including a web-based approach – are being explored. The JRP IT team is working with the GPO specialists to prepare requirements documents to be sent out to software developers. Scopes of Work are being finalized in English and Mongolian to carry out the upgrades to the case tracking software.

JRP is continuing to support public education and outreach activities within the General Prosecutor’s Office. Two new posters have been printed. A poster on the new Ethics Council has been distributed to all Prosecutors’ Offices (Capital City PO, Transport PO, Aimag POs and Intersoum POs). The design and content for a second poster on Public Access Terminals has been approved by the General Prosecutor.

### **Legal Clinic**

JRP continues to support Otgontenger University as a model law school providing high quality clinical education. The teaching staff of the Legal Clinic is currently drafting a

training manual for professors at other universities on teaching methodologies for clinical education. In August, the teaching staff of the Legal Clinic of Olgontenger University is planning to conduct 3-day training for the professors of other law schools interested in providing clinical education. JRP has been asked to support this training.

### **Public Education**

*Television and Radio Productions:* In June, the Mongolian National Radio began production of a radio drama series utilizing recurring characters to dramatize crimes and explain provisions of the criminal code to the public. At the end of each radio drama, an experienced lawyer explains the court decision. This series of programs is scheduled to air beginning in August 2008 and will be broadcast nationwide on three channels of the Mongolian national Radio. It follows the format of the previous radio drama series “Do Not Violate.”

*Posters and Brochures:* In June, in cooperation with the NLC, the JRP completed the sixth and final educational poster as specified in the 2008 workplan, and delivered it to the printer. The topic of this poster is the Copy Right Law or How to Protect the Author’s Rights. Protection of intellectual property has become an urgent problem in Mongolia. Many people have no knowledge of the Copy Right Law and often simply appropriate intellectual property (songs, music, books, videos, movies, etc.) as they did under the socialist system when such things were free. Authors have had little success enforcing their rights to their intellectual property. Thus, enhancing public awareness on the Copy Right Law is an important activity to contribute to the protection of intellectual property, and to establish a culture of respecting copyrights.

The JRP continues to support the Mongolian Advocates Association (MAA) in the creation of brochures on the duties of advocates in civil and criminal proceedings.

*Videos:* JRP distributed videos of the “Blue Book” public education TV series to Court Administrators of all 21 Aimag Courts during the GCC Annual Meeting. JRP handed over to Court Administrators additional copies of the videos and requested that they be broadcast on local Aimag TV stations. The TV series has provided valuable education to citizens on criminal laws and trial procedures by dramatizing real life trials. Each episode consists of three parts: (1) a criminal act; (2) a court hearing; and (3) an explanation by a lawyer. The program also includes expert commentary to ensure that laws and procedures are understood by the viewers.

### **Training**

*Manuals:* The JRP is finishing the distribution of the booklets for herders on Benefits of Written Contracts which were reprinted in 1000 copies. The booklet explains to herders the benefits of utilizing written contracts, explains how to use contracts and contains pull-out contract samples that can be used by herders during commercial transactions. The contract samples address a sale and purchase; sale and purchase through an intermediary; agreement to sell and purchase in the future; and a supply contract.

### **The Mongolian Electoral and Parliamentary Support Project (MEPS)**

## ***International Republican Institute (IRI)***

[www.iri.org](http://www.iri.org)

### **Poll Watcher Training**

Throughout June, IRI conducted poll watcher trainings for the Democratic Party (DP) in Bayan-Ulgii, Darkhan-Uul, Selenge, and Bayan-hongor aimags. Approximately 70 participants attended each of these seminars.

### **Second Public Opinion Poll**

On Wednesday, 4 June 2008, IRI presented the results of its second pre-election public opinion poll to the US Embassy, USAID, the Mongolian People's Revolutionary Party (MPRP), Democratic Party (DP), and the Citizen's Will Party (CWP).

### **Supporting the General Election Commission**

IRI provided the General Election Commission (GEC) with 1800 poll watcher training manuals for use in polling stations across the country for the State Great Hural (SGH) Election on June 29, 2008. On June 29, 2008 10,000 single-use ballot seals provided by IRI were used in polling stations across the country to help ensure the integrity of the electoral process.

### **Asia Pacific Democracy Partnership (APDP) Election Observation Mission (EOM)**

At the invitation of the Government of Mongolia (GoM) and the Mongolian GEC, the APDP sponsored a 16 member delegation to observe Mongolia's 29 June 2008 parliamentary election. This EOM was facilitated by IRI. The APDP election observers represented nine of the APDP's 13 member states: Australia, Canada, East Timor, Indonesia, Japan, the Philippines, South Korea, Thailand and the United States.

On Wednesday, June 25, an APDP Welcome Reception commenced at the Sunjin Grand Hotel in Ulaanbaatar at 6:30pm. US Ambassador Mark Minton and EOM Coordinator John Anelli offered welcoming remarks. A delegation dinner was held following the reception. In preparation for their observation work, on Thursday, June 26 and Friday, June 27, the APDP delegates participated in numerous briefings and meetings with Mongolian political party representatives, election administrators, and NGOs.

On June 26, a pre-election political update was offered by IRI's Resident Representative James DeWitt and program officers Mr. Urnukh Khuuji and Mr. John Miller. From 11:00-12:30, Dr. Odkhuu, Executive Director of the MPRP's Prognosis Center briefed the delegation on his party's preparations for the election. At 1:00pm, Mr. Bayanduuren, Director of Administration of the GEC, discussed the status of the GEC's election preparations. At 2:30pm, Ms. Naranjargal of the Mongolian NGO Globe International offered a presentation on the Mongolian media's coverage of the campaigns. Lastly, IRI Trainer Ms. Baylagsengel provided an overview of the updated Election Law and election procedures.

On Friday, June 27, the Security Officer from the US Embassy, Mr. John Koretke, briefed delegates on security/safety issues in Mongolia. At 9:15am, Mr. Onorbayar of the

Democratic Party briefed the delegates. Mr. John Anelli talked to the delegates about election observation and reporting. Mr. Grayson De Ritis, IRI IT Specialist, trained IRI team captains on the use of satellite phones and spot devices for EOM reporting. Discussion and open question and answer sessions concluded Friday's session at 12:30pm. On Friday afternoon, observation teams began departing from the Sunjin Hotel for polling observation destinations in Ulaanbaatar and the Orhon, Darhan Uul, Selenge, and Hentiy aimags. Observation teams began visiting polling sites to view in-advance voting and polling station set-up.

On Election Day, June 29, the delegation's nine teams observed various stages of the voting process at a total of 131 individual voting centers, and encountered more than 1500 election workers. Written reports of the teams' findings will be forthcoming.

## **The Mongolia Anti-Corruption Support Project (MACS)**

### ***The Asia Foundation (TAF)***

[www.asiafound.org](http://www.asiafound.org)

#### **IAAC Institution-building and Advocacy**

TAF mobilized Mr. Tony Kwok, ex-Deputy Commissioner of Hong Kong's Independent Commission Against Corruption, for a visit to provide technical assistance and consulting to the GoM's Independent Authority Against Corruption (IAAC), Ministries, and to other related institutions from 18 – 28 June 2008.

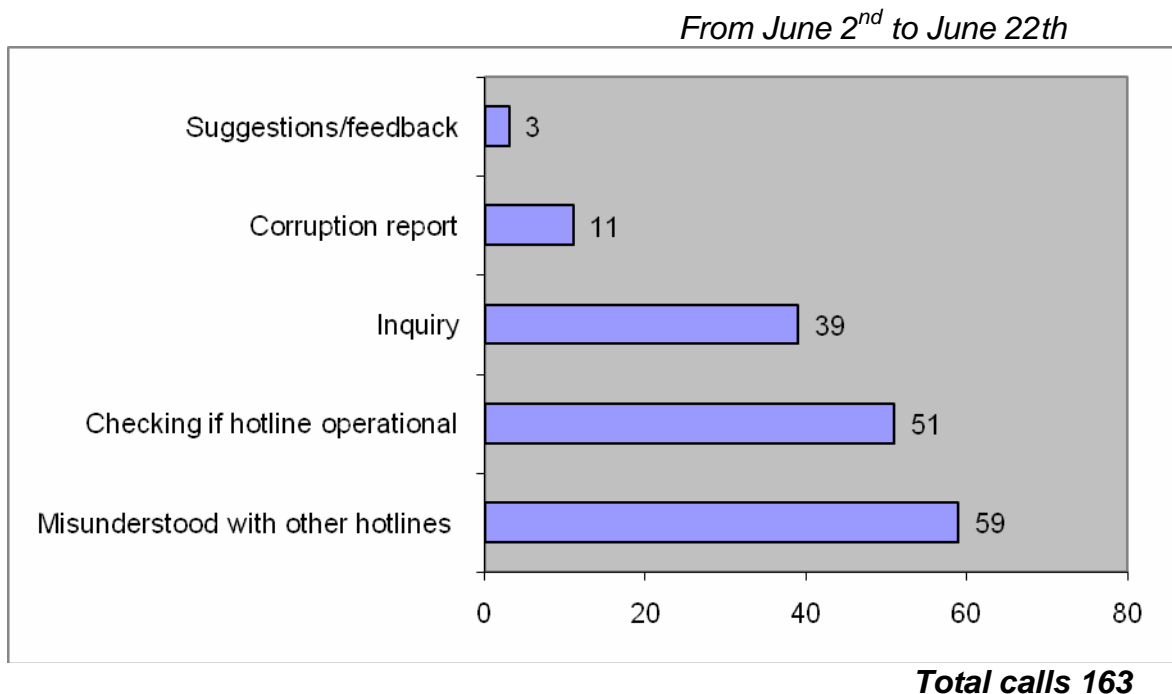
On June 19<sup>th</sup>, he conducted training for IAAC staff related to the implementation and monitoring of anti-corruption action plans. Mr. Kwok also conducted seminars for senior officials of Ministry of Justice, Ministry of Education, Mineral Resources and Petroleum Authority of Mongolia (MRPAM) and the Ulaanbaatar Municipality. He commented on the individual action plans and encouraged each to establish a high power steering committee, within the agencies, that would be charged with monitoring implementation. According to the IAAC, all 27 Ministries and agencies are required to submit progress reports to the IAAC in mid September.

On June 26<sup>th</sup>, Mr. Kwok conducted training for all 7 prosecutors of the Special Prosecutors Unit that was established for corruption-related offenses within the Municipal Prosecutors' Office, and for IAAC senior investigators. The purpose was to promote cooperation between the two agencies, and to improve the evidentiary procedures necessary for prosecution. Case studies were used to enhance the investigation and prosecution techniques of the participants. Mr. Kwok asked the participants to develop two lists, one for what investigators can do to help the prosecutors, and the other for what prosecutors can do to help the investigators. According to Ms. Ariunaa, head of the Prosecutors unit, this was the first training that they had with the IAAC investigators, and it initiated a constructive partnership, which helps the two parties understand each other. Mr. Kwok also conducted training for Ministry of Finance and General Customs Office staff on corruption prevention.

#### **Public Awareness and Education**

Since the launch of the anti-corruption hotline campaign in November 2007, the Corruption Reporting Center has received 1,848 calls, of which 119 were corruption reports. In the first three weeks of June the Reporting center received 163 calls, down from 228 calls in May. This is probably due to the conclusion of the second phase public awareness and education campaign which ended in March. A third phase will be launched in June to coincide with the election, with a subsequent phase slated for Sept.

### Reports to the 1969 hotline



### Public awareness and education

The Asia Foundation in cooperation with the IAAC launched the first phase of the second multi-media campaign on all major television stations, top daily newspapers and radio which promotes clean and fair election on June 15<sup>th</sup>.

The campaign was designed to encourage a clean election, and to deliver key messages: “There’s no free gift. Don’t sell your vote; Your government will be corrupted”. Print materials included billboards, street advertisements and posters that delivered campaign messages and explained the costs of election-related corruption. All campaign activities ran concurrently for two weeks until June 29<sup>th</sup>, the day of the Parliamentary election. A TV Public Service Announcement (PSA) is being broadcast multiple times each day during prime time, on four television stations including Mongolian National Broadcasting. The TV PSA is also being screened at the biggest and most crowded movie theater “Tengis” four times a before every movie. The radio PSA is being aired on three FM radio stations, and on Mongolian National Radio nationwide which increases awareness on election related corruption, and encourages citizens not to sell their votes. Print ads are being published in the top four newspapers and deliver free/fair election

messages. Two billboards and 30 light box street ads will reinforce TV and radio by delivering a clean election message on the June 28-29.

The IAAC began publishing a monthly newsletter which provides information on the cost of corruption, updates on IAAC efforts and actions, related laws and resolutions, latest news and op-eds by citizens. The monthly newsletter is distributed free of charge on local MIAT flights, at railway stations, post offices and public organizations.

The TAF sponsored publication of the “Student 2008” handbook, which was written by Mr. Batsaikhan, Foreign Relations Officer of Mongolian Students Union. Mr. Batsaikhan is one of the more active leaders in Mongolian society, and previously published similar handbooks in 2007 for university students, and student union leaders. The purpose is to provide a wide range of information such as educational laws and regulations, and university scholarship information for university and high school students and other interested audiences. Five thousand copies of the handbook will be distributed nationwide, all primary and secondary school libraries in every soums of 21 aimags for free of charge. The handbook is downloadable on [www.gogo.mn](http://www.gogo.mn) as well.

Anti-corruption content also appears in the “Student 2008” handbook which informs readers about the Independent Authority against Corruption, and the hotline. IAAC logos and advertisements appear within the body of the text, and on the inside back cover.

#### **Donor Coordination**

TAF continues to actively work with World Bank and ADB to enlist and coordinate donor support for the IAAC. TAF started negotiations with the World Bank and secured matching funds of approximately \$42,000, which will support the Phases III and IV of the public awareness and education campaign with an estimated cost of \$84,000.

## **CENTRALLY (USAID/W) OR REGIONALLY (USAID/RDMA) FUNDED PROJECTS**

### **Eastern Steppe Living Landscape Project - Sustaining Wildlife and Traditional Livelihoods in the Arid Grasslands of Mongolia *Wildlife Conservation Society***

[www.wcs.org](http://www.wcs.org)

#### **Living Landscapes Program (LLP)**

*Eastern Steppe Conservation Planning:* From June 8 – 10, the WCS/USAID Remote Sensing/GIS Specialist attended a *Conservation Action Planning (CAP)* workshop hosted by The Nature Conservancy NGO at the Shazaan Nuur Eco-camp in central Dornod aimag. The purpose was to collect information from stakeholders living near the Toson Hulstai Nature Reserve about conservation targets for the area and to define environmental threats. Meetings were also held with the WWF for Nature’s GIS Specialist regarding threats mapping and extension of the Eastern Steppe study area.

*Mongolian Gazelle:* In response to the need to maintain the connectivity of the steppe habitat to ensure the conservation of migratory species like the Mongolian gazelle, the Large Herbivore Foundation (LHF) has given emergency financial support to Dauria Zapovednik and is working with WWF Russia, UNESCO's Program on Man and the Biosphere (MAB) Russia and WWF Mongolia to improve conditions for Mongolian gazelles crossing the border. WCS will contribute information on gazelle movement and alternatives to current border fencing in upcoming months.

*Eastern Steppe Community-based Conservation Development:* In June, WCS staff launched the *Community Based Natural Resource Conservation Blog* (<http://monconservation.blogspot.com/>) and invited individuals from various conservation NGOs to become authors and members. This Blog is a forum for continued discussion about effective approaches to community based nature conservation in Mongolia. A draft of the proceedings from the April workshop, *Community Based Wildlife Conservation in Mongolia*, was sent out for review.

*Training & Capacity Building:* WCS staff member, Ms. S. Bolortsetseg completed a WCS Conservation Education Fellowship program held in New York in June. She developed a project focusing on the development of training materials for habitat mapping and wildlife monitoring in community-managed areas on the Eastern Steppe.

*Donor Coordination:* WCS staff attended a research planning workshop on *Community Based Natural Resource Management and Resilience to Climate Change* from 16–20 June hosted by researchers from Colorado State University, and offered expertise about landscape conservation planning and approaches to community based conservation. A WCS staff member also attended the second CAP (Conservation Action Plan) meeting with the Nature Conservation (TNC), WWF and other stakeholders.

### **WCS Field Veterinary Program**

*Avian Influenza:* The Avian Influenza Project team spent most of June preparing for the main component of the 2008 field season. Part of the team left for Moron on June 12<sup>th</sup>, and were joined by the remaining team members on June 16<sup>th</sup>. International specialists joined the team, along with eight Mongolian students – a total of 17 team members plus seven support staff. They will spend the next 3 months sampling birds in Hovsgol aimag for highly pathogenic avian influenza virus.

### **Upcoming Events**

WCS Community-Based Wildlife Conservation staff members will be conducting mini-workshops with each of the 14 Eastern Mongolian Community Conservation Association community-managed areas on the Eastern Steppe July 15<sup>th</sup> through August 15<sup>th</sup>. The team will also participate in a conservation planning workshop for the Tosoon Hustai Nature Reserve scheduled for June 21-23 and hosted by the Nature Conservancy.

### **The Training, Advocacy and Networking Project (TAN)**



## ***Mercy Corps***

[www.mercycorps.org.mn](http://www.mercycorps.org.mn)

### **Advocacy Efforts Continue to Upgrade Regional Hospital in Uvurkhangai**

The "Tripartite Counsel" of government, civil society organizations (CSOs) and business leaders in Uvurkhangai, led by the Uvurkhangai network CSO *Local Initiative*, has been working with the Regional Hospital in the aimag center for the last year in an attempt to identify and rectify inadequacies in the facility's service. One success in this effort was realized when it was learned last year that the hospital administration was using poor quality water from an adjacent well, rather than using the money that had been budgeted for city water, a situation the project team corrected.

Unfortunately, significant problems in the provision of water continued to plague the hospital staff and the over 120,000 patients from across western Mongolia who visit the hospital annually. These problems were first addressed in 2006, but aimag officials failed to include funding in the local budget. Working within the Tripartite Counsel and independently through their TAN subgrant entitled "Regional Health Service and Tripartite Partnership," the *Local Initiative* NGO was at the forefront of advocacy efforts to get this money included in the next budget. These efforts appeared to finally pay dividends when the aimag governor announced the inclusion of 60 million tugrugs (approximately 50,000 USD) for repair of the pipes in December 2007. On June 20, repair work on the pipes finally began.

### **Khentii Residents Improve their Advocacy Skills**

The Khentii CSO *Tsets Mongol* has also been working to improve their advocacy skills under their TAN subgrant "Increasing Citizens' Participation." Working through their "advocacy team" of twelve local residents, opinions on community issues were collected and delivered to local officials. As a result, in early June changes were made in public transportation routes, and in the schedule of developing waters wells for the community. Though more modest than Local Initiative's achievements above, Tsets Mongol have nonetheless shown community members, other CSOs, and local officials how CSOs can serve as a bridge between communities and local government, thereby facilitating action on community concerns.

### **Family Education Center CSO Provides Family Counseling Services in Arkhangai**

In Arkhangai, training on a variety of family issues and access to much needed family counseling has been greatly enhanced by the CSO *Family Education Centers'* subgrant "Family Training, Information and Counseling." A team of trainers have been prepared and in June they were dispatched throughout the community covering topics ranging from managing household finances to the danger of alcohol to families. Furthermore, the CSOs center has been renovated and turned into a training center and a place for anonymous consultations given by trained professionals for people dealing with sensitive issues such as domestic violence. In June a total of 67 family members received individual counseling, with many coming on multiple occasions, and 86 more took part in group consultations. Furthermore, for those wanting to absolutely ensure anonymity, the center has established a hotline. The hotline handled 79 phone calls in June. Out of those



79, 61 were women and 18 were men. Of the total, 75.9% were between the ages of 18-30 and the rest over 30.

### **Communities Mobilize for Water in Arkhangai and Dundgobi**

In Dundgobi, the network CSO *Bayantsagaan Herders' Association* is implementing a project designed to rehabilitate a vital community well used by over 1300 people in Bagh number seven of Erdenedalai Soum. The project will also carry out a number of water hygiene trainings for community residents. This month the project team collected over 200,000 tugrugs from community members for to rehabilitate the small building housing the well.

Meanwhile, in Arkhangai the network CSO *Trade Union* is implementing a project entitled "Irrigated Plot and Guaranteed Harvest." The project aims to increase the harvest of a plot of land cultivated by the vegetable group under the Trade Union's recently completed "Employment Opportunities" project. The project will achieve this largely through digging a borehole (well) for irrigation. Furthermore, the project completed the renovation of a cellar that will be used for storing vegetables in the winter.

### **CSO-Government Cooperation in Bulgan**

In Bulgan, the renovation of the two-kilometer long park, which was initiated by a TAN project implemented by the local branch of the CSO *Liberal Women's Brain Pool*, is continuing. The construction company repairing the road around the park and the walkways through the park made use of the employment agency established by the local branch of the *Youth Association CSO*. This employment agency was originally established under a TAN project which was completed in the spring. Through the Youth Association's employment agency services, 42 people received temporary, part time jobs on the project, while 23 received full time jobs this past June, with most of this work being connected to the park rehabilitation.

## **Innovating, Measuring and Promoting Poverty Alleviation by Cooperatives in Transition Societies (IMPPACTS)**

**CHF International**

[www.chfmongolia.org](http://www.chfmongolia.org)

### **Mongolia-Germany Bridge NGO**

IMPPACTS is working with the Mongolia-Germany Bridge NGO, to establish two cooperatives for producing cotton shopping bags. In June, IMPPACTS and Bridge NGO assisted the "URAN DEVSHIH" Cooperative with preparing for and managing an order for six hundred cotton bags from the Ministry of Environment as well as other orders from the Everyday Supermarket.

### **Mongolian Radio's "Voice of Cooperatives"**

Two IMPPACTS sponsored radio programs were aired this month. The programs focused on cooperative activities and include interviews with cooperative members as well as highlights from the two day cooperative workshop in May. These programs aired on Mongolian Radio's "Voice of Cooperatives" program on the 1st -2nd and 7th -8th of

June. IMPPACTS is developing additional programs to educate the public on positive role of cooperatives and to boost awareness of the coop movement in Mongolia.

### **Meeting with Mr. Monkhjargal, Head of the Cooperative Law Working Group**

This month IMPPACTS met with Mr. Monkhjargal regarding activities for International Day of Cooperatives and Congresswoman Horn's visit in September. Mr. Monkhjargal indicated that the Mongolian Government's National Cooperative Development Program has not finalized its plans for the International Day of Cooperatives. They are working with the Trade and Consumers Coops Union to organize a TV talk show. Due to the elections the talk show will probably be delayed until late July.

### **Business Group Assessment**

IMPPACTS will finish compiling data from the second Business Group assessment by the end of June. The final assessment is expected to be completed by early August.

### **Recognizing the UN's International Day of Cooperatives**

July 5th is the International Day of Cooperatives. To mark the event, IMPPACTS will publish an article in the GER Initiative newspaper on the history of the cooperative movement in Mongolia.

### **Avian Influenza (HPAI)**

#### ***UN Food and Agriculture Organization (FAO)***

### **Wild Bird Surveillance Program**

With the advent of good weather the wild bird surveillance program is in full swing in the 12 project aimags, with all aimags either completed their first lake survey, or currently undertaking it. Aimags are successfully using the GPS units and cameras supplied by the project which are proving valuable additions to the reporting of the surveillance program.

The project sponsored the participation of personnel involved in the surveillance program in Bulgan and Khvsgul, to a surveillance training course conducted by WCS in Khuvsgul aimag from June 21-23. The project is institutionalizing database management for the wild bird surveillance program in the Institute of Biology, by sponsoring a short-term database management position which will be continued under the World Bank project.

### **Planning for Outbreak Management on Poultry Farms**

The project cooperated closely with the USAID/W funded STOP AI project which trained staff from four GoM agencies on the management of an outbreak in poultry. Participants included staff from the Ministries of Agriculture and Health, NEMA, and the State Inspection Agency. The training was held from 2-6 June. The STOP AI project is a USAID-funded global project aimed at providing technical assistance to countries on AI control. The training was very well received and made a good contribution to focusing government efforts on the response to an outbreak in poultry.

### **World Bank Avian and Human Influenza Project**

The International Technical Adviser (ITA) continues to support GoM efforts to begin implementation of this project. The ITA assisted the newly-established Project Management Office in finalizing the project management guidelines.

### **Building capacity in Disease Control**

An epidemiology expert from FAO Bangkok provided technical assistance to Mongolia from 8-16 June. The objective was to conduct a needs assessment for short, medium and long term field epidemiology training options for local veterinarians. The emphasis of the proposed training program would be to build capacity in surveillance of emerging infectious diseases, so linkages with the human health system, particularly those parts of the system working with zoonoses, would be strengthened.

The expert concluded there is a great need for building epidemiology capacity within the veterinary services, and for improving linkages between animal and human health agencies. The first step in capacity building is expected to be the attendance of a Mongolian at a regional training course in November in Thailand.